

This comment is in reference to FCC 16-166, in which the FCC is proposing to increase the regulatory fees that are assessed to broadcasting license holders based on the size of the DMA in which the license is assigned. I am writing on behalf of Marquee Broadcasting (Marquee) and its affiliates, a small woman-led broadcasting company, that holds licenses for two full power and two low power stations. (The request to transfer a license to Marquee Broadcasting for an additional station, KREG, is pending before the FCC presently.)

Marquee owns WGTA, an independent station in Atlanta, DMA 9. The station is not affiliated with one of the top 6 major networks and is operated on a revenue-share basis with no local ad insertion. Additionally, if approved, Marquee will hold the license for KREG in the Denver DMA (market 17.) KREG is currently used as a translator. That will end if the transfer is approved, and Marquee will operate the station as an independent station with no major network affiliation and no advertising revenue at the outset.

The regulatory fee is applied across-the-board, indiscriminately to all licensees in a particular DMA, regardless of station affiliation or revenue. It has the effect of being insignificant for large network affiliates while being quite heavy for those that are not. This places a disproportionate burden on small, independent broadcast stations, the very group the FCC should hope to encourage in an industry of giants. The proposed increase in the regulatory fee fails to take into account the wide gulf of revenue disparity that exists between and among independent, smaller stations and those in larger groups or with major affiliations and significantly heightens the financial burden placed on the smaller, independent stations.

As proposed, the new regulatory fees would place a significant financial burden on Marquee's station in Atlanta and has the potential to do the same to the station in the Denver DMA. Independent stations play a vital role in the community and offer an array of shows and programs that may not be available in a market otherwise. However, these stations are penalized by the proposed and current regulatory system that levies a uniform fee on all stations in a market, regardless of affiliation or ownership.

Marquee requests the FCC to reconsider its proposed rulemaking and the existing regulatory fee system as a whole. A system based on a combination of revenue and set fee as opposed to a strict blanket, market-by-market fee would take a major step to lessen the disparate financial burden that falls on small, independent broadcast stations. An example of such a hybrid fee methodology could consist of using an assessment of 1% of revenue or the set fee, whichever is less. This type of system has been used often in the broadcast industry, from the syndicators to organizations such as the National Association of Broadcasters, all of which take into account market size and revenue of the individual station prior to issuing a fee assessment.

To lessen the disproportionate financial burden that falls on independent stations owned by individuals or small broadcast groups, Marquee requests that the FCC implement a new methodology to determine the regulatory fee assessment calculation to include the

consideration of the station's revenue in addition to market size. At a minimum, the Commission should afford a quick and easy process for small and diverse station owners to gain a waiver or significant reduction in the fee. It could delegate such authority to the Media Bureau, allowing confidential treatment of a station's financial condition.